

## Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 EB-11 RSR-01 FAA-00 EURE-00 CIAE-00

DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03

RSC-01 PRS-01 SS-15 USIA-12 IO-12 ACDA-19 /135 W  
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P R 121739 Z APR 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 4461

INFO AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

USMISSION NATO BRUSSELS

USMISSION BERLIN

C O N F I D E N T I A L SECTION 01 OF 02 BONN 05409

E. O. 11652: GDS

TAGS: PFOR, ETRN, GW, WB, UK, FR, NL

SUBJECT: PANAM APPLICATION FOR BERLIN- AMSTERDAM SERVICE

1. SUMMARY: AT TRIPARTITE MEETING ON APRIL 12, UK AND FRENCH REPS SAID PANAM APPLICATION FOR BERLIN- AMSTERDAM SERVICE RAISED A NUMBER OF POLITICAL QUESTIONS WHICH THEIR AUTHORITIES BELIEVED MUST BE CONSIDERED BEFORE FINAL ACTION COULD BE TAKEN ON THE REQUEST. THE UK REP POSED A SERIES OF QUESTIONS ON WHICH HE SAID THE UK WOULD LIKE TO HAVE THE DEPARTMENT' S VIEWS. HE PROPOSED THAT THE SUBJECT BE CONSIDERED TRIPARTITELY BY ALLIED REPS SIMULTANEOUSLY WITH DELIBERATION BY THE CAA' S ON THE CIVIL AVIATION ASPECTS OF THE APPLICATION. ACTION REQUESTED: DEPARTMENT' S COMMENTS ON POINTS RAISED BY UK REP WHICH ARE LISTED BELOW. END SUMMARY.

2. THE UK REP ( CROMARTIE ) SAID THAT IN THE VIEW OF HIS AUTHORITIES, INITIATION OF THE BERLIN- AMSTERDAM SERVICE COULD AFFECT THE ENTIRE CONTEXT OF ALLIED CIVIL AVIATION POLICY ON BERLIN. HE RECALLED THAT IN THE BONN GROUP  
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AIR STUDY THE THREE POWERS HAD BEEN QUITE SPECIFIC IN STATING THE CONDITIONS UNDER WHICH THEY BELIEVED ADDITIONAL BERLIN SERVICES COULD BE AUTHORIZED. WHILE IT WAS TRUE THAT PARTS OF THE AIR STUDY MIGHT NOW BE OUT OF DATE, THIS DID NOT MEAN THAT THE PRESENT SITUATION WAS ANY LESS CRITICAL. IN FACT, THE POSSIBILITY THAT FRG- GDR AIR NEGOTIATIONS WOULD BEGIN SOMETIME SOON MADE IT ALL THE MORE NECESSARY TO CONSIDER CAREFULLY ALL ASPECTS OF ANY PROPOSED CHANGE IN THE STATUS QUO.

3. CROMARTIE SAID THE UK WOULD HAVE WELCOMED ADVANCE CONSULTATION WITH THE US ON PLANS FOR THE BERLIN-AMSTERDAM SERVICE. HAD THAT BEEN ACCOMPLISHED, THE POLITICAL QUESTIONS COULD HAVE BEEN CONSIDERED BEFOREHAND. HOWEVER, SINCE THAT HAD NOT BEEN POSSIBLE, THE BRITISH SIDE WOULD NOW HAVE TO REQUEST THAT THESE SUBJECTS BE DISCUSSED CONCURRENTLY WITH CONSIDERATION BY THE CIVIL AIR ATTACHES OF THE CIVIL AVIATION ASPECTS OF THE QUESTION. CROMARTIE DID NOT WANT TO SAY THAT THE UK WOULD MAKE APPROVAL OF THE APPLICATION DEPENDENT ON SATISFACTORY RESOLUTION OF THE QUESTIONS IT WOULD RAISE. HE COMMENTED ONLY THAT THE UK POSITION WOULD DEPEND IN A LARGE PART TO THE DEPARTMENT'S ANSWERS TO THE SEVERAL POINTS WHICH HE WISHED TO RAISE.

4. THE FRENCH REP ( BELLECISZE) SAID HIS AUTHORITIES WOULD ALSO WISH TO HAVE A DISCUSSION OF THE POLITICAL ASPECTS BEFORE TAKING FINAL ACTION ON THE APPLICATION. HE SAID THEY SAW CERTAIN POSITIVE ASPECTS TO THE PANAM REQUEST, BUT WANTED TO MAKE SURE THAT ALL ANGLES HAD BEEN COVERED BEFORE GIVING THEIR FINAL OPINION. IN THE FRENCH VIEW, THE POSITIVE ASPECT OF THE PANAM APPLICATION WAS THAT IF THE SERVICE ACTUALLY DID BEGIN, IT WOULD DEMONSTRATE THAT THE THREE POWERS COULD SUCCESSFULLY CONDUCT SERVICES TO BERLIN THROUGH THE CORRIDORS FROM POINTS OUTSIDE THE FRG AND ALSO OUTSIDE THE THREE ALLIED COUNTRIES. THE INITIAL PANAM SERVICE COULD PERHAPS BE FOLLOWED BY A NET OF THREE POWER FLIGHTS TO ALL MAJOR POINTS IN THE WEST. SUCH A DEVELOPMENT WOULD ENABLE THE THREE POWERS TO DEMONSTRATE THAT FLIGHTS BY NON- THREE POWER AIRLINES WERE NOT NECESSARY AND WOULD IN EFFECT PROVIDE A GOOD PRETEXT FOR CLOSING THE DOOR TO  
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REQUESTS BY ALL OTHER CARRIERS.

5. THE US REP SAID THAT WE BELIEVED THE PANAM APPLICATION FITTED IN WELL WITH THE OVER-ALL CONCEPT FOR DEVELOPMENT OF AIR SERVICES TO BERLIN WHICH HAD BEEN APPROVED BY ALL THREE POWERS. WE DID NOT BELIEVE THAT IT RAISED ANY OF THE FUNDAMENTAL QUESTIONS ALLUDED TO BY THE UK REP, NOR DID WE WISH TO USE IT AS A PRETEXT FOR BLOCKING APPLICATIONS BY NON-THREE POWER CARRIERS. OUR MAIN INTERESTS CONTINUED TO BE TO PROVIDE FOR AN ORDERLY DEVELOPMENT OF AIR SERVICE TO BERLIN UNDER CONDITIONS WHICH WOULD PROTECT THE VIABILITY OF THE PRESENT CORRIDOR SERVICES. IN OUR VIEW, THE PANAM

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FM AMEMBASSY BONN  
TO SECSTATE WASHDC PRIORITY 4462  
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APPLICATIONS SERVED BOTH OF THESE INTERESTS.

6. THE UK REP SAID HIS DELEGATION HAD PUT TOGETHER A LIST OF SEVERAL BASIC CONSIDERATIONS ON WHICH THEY WOULD LIKE TO REQUEST THE DEPARTMENT'S VIEWS.

A. SOVIET REACTION. NOTING THAT THE SOVIETS HAD OFTEN PROTESTED CORRIDOR FLIGHTS TO POINTS OUTSIDE THE FRG, CROMARTIE SAID WE COULD NOT BE SURE THAT THEY WOULD ACCEPT WHAT WAS IN EFFECT A COMPLETE NEW DEPARTURE FROM PAST PRACTICES, I. E. A SCHEDULED CORRIDOR SERVICE TO A POINT NOT IN THE FRG OR IN ONE OF THE ALLIED COUNTRIES.

B. DECLINING TRAFFIC IN IGS. CROMARTIE SAID PANAM AND BEA NEEDED A PERIOD OF STABILITY TO ENABLE THEM TO ADJUST TO THE NEW SITUATION BROUGHT ABOUT BY A CONTINUED DECLINE OF PASSENGER LEVELS IN THE IGS. THE NEW PANAM SERVICE WOULD CAUSE UNCERTAINTY BY DRAWING TRAFFIC FROM EXISTING SERVICES.  
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C. POSSIBLE PRESSURE FROM LUFTHANSA OR KLM. CROMARTIE BELIEVED THAT INITIATION OF THE PANAM SERVICE WOULD CONVINCE OTHER CARRIERS THAT THE THREE POWERS WERE ATTEMPTING TO EXPAND THEIR MONOPOLY POSITION IN BERLIN. THIS WOULD MOST CERTAINLY BRING PRESSURE FROM SEVERAL AIRLINES, MOST PROMINENTLY KLM TO INITIATE SIMILAR SERVICES. WE COULD ALSO NOT BE SURE THAT LUFTHANSA WOULD NOT BEGIN TO PUSH HARDER FOR RIGHTS TO THE CITY. CROMARTIE DID NOT AGREE WITH THE FRENCH REP THAT SUCH REQUESTS WOULD BE EASIER TO TURN DOWN ONCE PANAM BEGAN TO FLY. HE THOUGHT IT WOULD CAUSE EVEN MORE CONFUSION IN BERLIN AND SET BACK OUR EFFORTS TO ACHIEVE RATIONAL DEVELOPMENT OF AIR SERVICE TO THE CITY.

D. DANGER TO FOUR POWER BASIS FOR AIR TRAFFIC. CROMARTIE ARGUED AGAIN THAT THIS WAS NOT THE TIME TO EXPERIMENT WITH THE STATUS QUO. HE SAID THE PRESENT SITUATION WAS BASED ON MORE OR LESS GENERAL ACCEPTANCE OF A SPECIFIC INTERPRETATION OF THE POST- WAR AGREEMENTS ON WHICH ALLIED RIGHTS WERE BASED. TO PUT THIS INTERPRETATION IN QUESTION DURING THIS PERIOD WHEN THE SITUATION WAS IN FLUX WAS DEFINITELY NOT IN THE ALLIED INTEREST.

7. THE US REP SAID HE WOULD PREFER NOT TO COMMENT IN DETAIL ON THE UK POINTS, EXCEPT TO SAY THAT HE DID NOT BELIEVE THEY PROVIDED SUFFICIENT REASON TO DELAY APPROVAL OF THE PANAM APPLICATION. HE PROMISED TO TRANSMIT THEM TO WASHINGTON FOR THE DEPARTMENT'S COMMENTS AND TO RETURN TO THE SUBJECT IN THE TRIPARTITE FORUM AS SOON AS POSSIBLE. IT WAS AGREED THAT THE PANAM APPLICATION WOULD NOT BE DISCUSSED IN DETAIL WITH

THE FRG UNTIL FURTHER TRIPARTITE CONSULTATIONS HAD BEEN COMPLETED.

8. EMBASSY COMMENT: IN OUR VIEW THE POINTS RAISED BY THE UK REP ARE NOT OF VITAL IMPORTANCE IN CONSIDERATION OF THE PANAM APPLICATION. THEY SEEM TO BE MORE OF AN INDICATION OF STRONG UK AND FRENCH DISSATISFACTION AT NOT BEING CONSULTED BEFOREHAND AND OF IRRITATION WITH THE RECENT PANAM PRESS CONFERENCE THAN ANYTHING ELSE.  
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HOWEVER, WE HAVE BEEN PUT ON NOTICE THAT THE BRITISH AND FRENCH WILL NOT GIVE APPROVAL OF THE APPLICATION UNTIL WE HAVE CONDUCTED WHAT THEY CONSIDER TO BE A SATISFACTORY DISCUSSION OF THE CONSIDERATIONS WHICH THEY HAVE RAISED.

9. ACTION REQUESTED: DEPARTMENT' S GUIDANCE.  
HILLENBRAND

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**To:** BERLIN  
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